

**President's Message**

Rob Pierce, CDP, President



Greetings! I would like to take this opportunity to commend last year's Board of Directors and Committee Chairs and members for a job well done. I would like to especially thank last year's President, Mike Plunkett, for his outstanding leadership and continuing dedication to the Society. Thank You!

**Our Roots**

This year will mark our 25<sup>th</sup> Annual Conference. As we look forward, it is a good time to reflect on our roots. On August 19, 1987, the Society of Depreciation Professionals (SDP) was formed as "a multi-industry, multi-professional group, consisting of regulators, regulated industries, consultants, and all others interested in depreciation." The original 17 charter members held their first meeting in Chicago, Illinois on November 9-10, 1987. SDP's first newsletter was published a few months later in February 1988. By that time, the membership had grown to 160 members!

The first SDP newsletter also set forth the overall goal to "promote professionalism and ethics within the art of depreciation, and provide information of interest to depreciation professionals." Among the objective were to sponsor regular conferences, provide a forum for discussing issues related to depreciation policy, encourage papers on interests to depreciation professionals, provide training and educational forums, and publish a regular newsletter.

These goals and objectives continue to be the foundation upon which SDP has been built. Our

meetings, training, and certification program, provide significant benefit to our members and are recognized for their high-quality. Our publications (newsletters, current issues, website, and the SDP Journal) keep our members connected and informed.

We are fortunate that many of the original and early members remain active and devoted supporters of the Society. We owe them a debt of gratitude for pursuing their vision and establishing the Society.

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**Introducing Jaffe Management**

The Society of Depreciation Professionals has recently contracted with Jaffe Management to take over day-to-day operational responsibilities of the association.

Jaffe Management is a New York City based company that provides staff support to volunteer driven organizations like the SDP.

Jaffe Management will be taking over many of SDP's tasks including: conference planning, working with the Board of Directors, bookkeeping, answering the phones, volunteer management, and website/newsletter replies and updates.

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**We've Moved !!****Please make note of our new contact information:**

Society of Depreciation Professionals  
347 5th Avenue, Suite 703  
New York, NY 10016

Phone: (212) 804-7178

Fax: (646) 417-6378

Email: [admin@depr.org](mailto:admin@depr.org)

Please contact us if you think that any registrations or correspondence may have gone missing in the transition to our new address.

## **SDP BOARD OF DIRECTORS**

### **Officers**

<b>President</b> .....	<b>Rob Pierce</b> Southern California Edison (626) 302-1100
<b>Vice-President</b> .....	<b>John Spanos</b> Gannett Fleming (717) 763-7212 ext2246
<b>Treasurer</b> .....	<b>Donald Clayton</b> Tangibl, LLC (724) 934-1936
<b>Secretary</b> .....	<b>Lorrie Mullen</b> ATCO Gas (780) 420-7377
<b>At-Large Director</b> .....	<b>Scott Armstrong</b> Virginia State Corporation Commission (804) 371-9535
<b>At-Large Director</b> .....	<b>Dave Davis</b> American Electric Power Company (614) 716-3603
<b>Past President</b> .....	<b>Mike Plunkett</b> PowerPlan Consultants (770) 937-3023

### **Committee Chairs**

<b>Certification and Testing</b> .....	<b>Steve Barreca</b> BCRI, Inc. (205) 943-6710
<b>Coordinating</b> .....	<b>Steve Barreca</b> BCRI, Inc. (205) 943-6710
<b>Current Issues</b> .....	<b>John Ferguson</b> Ferguson Associates (972) 699-8214
<b>Depr. Education &amp; Training</b> .....	<b>Susan Jensen</b> Surface Transportation Board (301) 792-3939
<b>Ethics and Standards</b> .....	<b>Rhonda Watts</b> Alliance Consulting (214) 473-6771 Ext. 16
<b>Journal</b> .....	<b>Donald Clayton</b> Tangibl, LLC (724) 934-1936
<b>Membership</b> .....	<b>Dave Davis</b> American Electric Power Company (614) 716-3603
<b>Newsletter</b> .....	<b>Lorrie Mullen</b> ATCO Gas (780) 420-7377
<b>Program</b> .....	<b>John Spanos</b> Gannett Fleming (717) 763-7212 Ext. 2246

*Introducing Jaffe Management, continued from page 1*

“We are very excited to be working with the Society of Depreciation Professionals. We believe that our staff’s expertise in making non-profits, coalitions, and associations succeed will complement the strength and breadth of depreciation expertise of those who have been working over the years to build the Society.” David Jaffe, Principal of Jaffe Management, Inc.

Jaffe began transitioning to handling SDP’s operations in April of 2011 and will complete the transition throughout the spring. We are looking forward to meeting David in person at the Annual Meeting in September in Atlanta. ❖

## **2011 Annual Conference and Training**

**September 18 – September 23, 2011**

Georgian Terrace Hotel  
Atlanta, Georgia

**For more information visit:**

[www.depr.org](http://www.depr.org)



*Georgian Terrace Hotel*

### **Make Your Reservations:**

For hotel reservations, please call the Georgian Terrace Hotel at 800-651-2316 or 404-897-1991 and ask for the \$139/night discount rate for the Society of Depreciation Professionals (which includes a complimentary upgrade to a one-bedroom suite).

Or you can go to <http://tinyurl.com/sdp2011>, where we have inserted the SDP’s account code (WGRP002) and promo code (\*G02\$) on the hotel’s reservation page. A limited number of rooms are available at the government rate of \$132/night. Rates are guaranteed until August 18, 2011. ❖

*President's Message, continued from page 1*

We also owe thanks to a long line of volunteers who, since 1987, have taken up the mantle and have maintained and promoted these early goals. Good job!

### **2011 Annual Conference and Training**

I am looking forward to seeing you all at our Annual Conference and Training in Atlanta, Georgia, September 18-23, 2011. The Georgian Terrace Hotel, where it will be held, is one of America's classic grand hotels with a rich 100-year history. It is located in trendy mid-town Atlanta across from the legendary Fox Theater and surrounded by great restaurants, abundant shopping, and thriving entertainment and cultural attractions.



*Midtown Atlanta from Piedmont Park*

John Spanos, our SDP Vice President and Chair of the Program Committee, is working hard to ensure that this year's meeting continues to add value to the Society and its membership. As those who have attended the Annual Conference know, it is an excellent opportunity to network with your colleagues. Our society is a diverse group of industry representatives, regulators, and consultants, from all regions of North America – and all having a keen interest in capital recovery (something you won't find at most gatherings). The opportunities presented at the SDP conference to participate in the discussion of the current and emerging issues affecting depreciation are simply unavailable at any other conference.

Dr. Susan Jensen, our Chair of Education and Training, has put together a solid curriculum taught by a seasoned staff of depreciation professionals. This is a great opportunity to become better grounded in the basics, enhance your understanding of life and net salvage analyses, or strengthen your ability to



*Midtown Atlanta Evening Skyline*

prepare and defend a depreciation study. Again, there is no training available anywhere with the depth and breadth provided at this conference, and you can be very proud of your Society's contribution in this area.

### **Under New Management**

As you might guess, keeping the mission and business of the Society of Depreciation moving forward takes a lot of effort. Although SDP has quite a number of volunteers (the board, committee chairs and many others), unfortunately we were without the assistance of a professional manager since June last year. (Mike Plunkett, our Past President, has put in many hours bridging the gap – we owe him a big thank you!) As discussed elsewhere in this newsletter, to address our need, the Board of Directors chose to engage Jaffe Management beginning in April. We welcome David Jaffe and his team.

Thanks for your support. I am looking forward to serving as your President. Please feel free to contact me anytime with any questions or comments. ❖

### **It's Time to Renew Your Membership**

It is time to renew your membership for 2011. If you have not already done so, please take a minute and complete the membership renewal form at the back of this newsletter.

You can mail or email the form to the SDP office, and payments can be made by check or credit card. Individual membership dues remain a bargain at \$75 per year. ❖

## The Society Expresses Thanks to These Contributing Members

### *Sustaining Members*

AUS Consultants  
PowerPlan Consultants  
Tangibl

### *SDP Friends*

John Lamparello  
Dr. Susan Jensen, CDP

## Overview of 2011 Depreciation Training Classes

Susan Jensen, Ph.D., CDP

We are pleased to offer three concurrent courses immediately **following** the *2011 Annual Meeting*. The courses range from an overview of **Depreciation Basics** to a study of **Life and Net Salvage Analysis** models with real-world applications. Our capstone course focuses on **Preparing and Defending a Depreciation Study** and is intended for depreciation professionals as well as managers seeking an overview of the depreciation study process. Courses begin at 1:00 PM Tues., Sept. 20, and end by noon Fri., Sept. 23.

For registration information visit [www.depr.org](http://www.depr.org).

### Depreciation Basics

(22 CPE credits)

This course includes an introduction to *Plant and Depreciation Accounting and IFRS, Data Requirements and Collection, Simulation Life Analysis, Actuarial Life Analysis, Salvage and Cost of Removal Analysis, Depreciation Models, Life Cycle Analysis, and Technology Forecasting*. This course is often repeated by those wanting additional study on select topics.

### Life and Net Salvage Analysis

(22 CPE credits)

The *Actuarial and Simulation* analysis courses include applications to real-world data to prepare you to use the models in your depreciation studies or review the use of the models in studies presented to you. We will also again offer *Gross Salvage and Cost of Removal* as well as *FAS 143* and *Overview of IFRS*. And in the class *Evaluation of a Depreciation Study*, you will learn how to “get behind the numbers” developed in a depreciation study.

The **prerequisite** for this course is the *Depreciation Basics* course or permission from Dr. S. Jensen based on your qualifying experience or courses.

### Preparing and Defending a Depreciation Study

(22 CPE credits)

This course begins with a review of life, net salvage, and depreciation models and then focuses on *Developing Life and Salvage Estimates, Preparing a Depreciation Study Report, and Defending the Study*, including *Witness Preparation and Techniques*. This course is intended for professionals involved in preparing depreciation studies AND for managers wanting an overview of the depreciation process.

The **prerequisites** for this course are both the *Depreciation Basics* AND the *Life and Net Salvage Analysis* courses or permission from Dr. Susan Jensen based on your qualifying experience, courses, or objectives.

There will be ample opportunity during class and at informal evening receptions for you to talk with your expert instructors and network with fellow attendees from utilities, State/Federal commissions, and consulting firms. *Take advantage of our substantial discounts for multiple attendees from a company and for members who are also attending the SDP Annual Meeting.*

## SDP Sunday Training Sept. 18, 2011

We are pleased to offer the course *Brief Introduction to Depreciation* on **Sunday, Sept. 18, from 1:00 - 5:00 PM**. This excellent overview course is intended for professionals involved in preparing depreciation studies as

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*2011 Depreciation Training Classes, continued from page 4*

well as managers wanting an overview of the segments of a depreciation study. *Several attendees at our inaugural offering in 2010 expressed a desire to attend Sunday Training again in 2011; therefore, we will be making some changes to the course each year so you can repeat it often!* This course includes several of the topics included in the CDP Exam.

### **Brief Introduction to Depreciation**

*(4 CPE credits)*

This course begins with a discussion of the importance of depreciation and the complications inherent in estimating this expense. We then discuss the differences between component and group depreciation and how we account for each. We break the depreciation rate into its life and salvage components and briefly discuss various analyses commonly used to estimate each component. These life and salvage components are then combined to develop depreciation rates using different depreciation procedures and techniques together with the straight-line method. ❖



Attendees at the 2011 SDP Annual Meeting and/or Training can receive CPE credits. The Society of Depreciation Professionals is a registered sponsor on the National Registry of CPE Sponsors through the National Association of State Boards of Accountancy (NASBA). Status as a registered sponsor affirms the Society's commitment to adhere to standards for the delivery of high quality continuing professional education. All participants in the 2011 SDP Annual Meeting and Training will be receiving official certificates for their CPE credits. Those attending the Annual Meeting will receive up to 12 CPE credits, those attending Training will receive up to 22 CPE credits, and those attending the new Sunday afternoon class will receive up to 4 CPE credits. ❖

## **Many Thanks to the 2010 SDP Board of Directors**

We would like to extend our sincere thanks to all the members of the 2010 SDP Board of Directors, under the leadership of Michael Plunkett, CDP, 2010 Society President. The Board worked hard on issues important to Society members. Committees were active and much progress was made. Congratulations on a job well done. ❖

## **Congratulations to the 2011 Board of Directors**

At the SDP Annual Meeting in St. Louis, the following officers were elected to lead the Society through 2011. The 2011 officers are:

- President - Rob Pierce, CDP  
Southern California Edison
- Vice President – John Spanos, CDP  
Gannett Fleming
- Treasurer – Don Clayton, CDP  
Tangibl LLC
- Secretary – Lorrie Mullen, CDP  
ATCO Gas
- At Large Director - Dave Davis  
American Electric Power Company
- At Large Director – Scott Armstrong, CDP  
Virginia State Corporation Commission
- Past President - Michael Plunkett, CDP  
PowerPlan Consultants

We wish this new Board of Directors much success in 2011.

If you would like to become more involved in the Society, please contact any of the 2011 SDP Officers, or contact the SDP by email at: [admin@depr.org](mailto:admin@depr.org) ❖

## 2010 Annual Meeting and Training St Louis, Missouri

The 2010 Annual Meeting and Training took place in St. Louis, MO, from September 27 to October 01, 2010. This was a successful conference, with the highest attendance at both the annual meeting and the training in recent years.

The Annual Meeting program, which was coordinated by the Program Committee, chaired by Rob Pierce, CDP, began with a reception Sunday evening and continued through Tuesday morning. Monday's outstanding lineup of presenters and breakout session leaders included:

- Keynote speaker Branko Terzic, U.S. & Global Regulatory Policy Leader – Energy & Resources for Deloitte Services
- Mark Nelson, Southern California Edison
- Richard Clarke, CDP, Gannett Fleming, Inc
- Rhonda Watts, Alliance Consulting Group
- Nancie Poppema, Executive VP, Communication Counsel of America
- Jon Wierda, KPMG
- Martin Schmidt, KPMG
- David Davis, AEP
- Aly Elfar, Farconsult
- Earl Robinson, CDP, AUS Consultants
- Don Clayton, CDP, Tangibl

Tuesday we benefited from the excellent presentations of:

- Mark Heinemann, PowerPlan
- Dave Picconi, Xcel Energy
- John Spanos, CDP, Gannett Fleming
- John Ferguson, CDP, Ferguson Associates
- Curtis McElwee, CPA and SDP Membership Chair
- John Lacey, PhD, California State University, Long Beach.

Topics covered over the two days included

- The current regulatory environment and changing technology
- Renewables and emerging technology

- Wind and solar depreciable lives
- An alternative approach to witness development
- An update on IFRS
- Decommissioning and other depreciation issues
- Depreciation of life span property
- An accounting update
- An update on SDP membership



Dr. Susan Jensen, CDP, again coordinated the outstanding SDP Training which began Tuesday afternoon and continued through Friday morning. The regular session was comprised of the following concurrent classes:

- Depreciation Basics
- Life and Net Salvage Analysis
- Life Analysis for Valuations
- Preparing and Defending a Depreciation Study

In addition to the regular session classes, new in 2010 we offered a Brief Introduction to Depreciation Sunday afternoon. Sixteen individuals took advantage of this new class.

*We thank our committee organizers, presenters, and expert instructors for their valuable contributions toward making our 2010 Annual Conference and Training a great success. We also wish to acknowledge our 2010 Annual Meeting & Training Sponsors for their generous donations:*

**AUC Consultants**  
**BCRI Valuation Services**  
**Gannett Fleming, Inc.**  
**PowerPlan Consultants**  
**Tangibl LLC ❖**



# Society of Depreciation Professionals

347 5th Avenue, Suite 703  
New York, NY 10016  
Phone (212) 804-7178  
Fax (646) 417-6378  
[admin@depr.org](mailto:admin@depr.org)

## 2011 Membership Application

### Membership Categories

- |   |   |
|---|---|
| <input type="checkbox"/> Sustaining Member (\$750.00)   | <input type="checkbox"/> New <input type="checkbox"/> Renewal |
| <input type="checkbox"/> Business Patron (\$300.00)   | <input type="checkbox"/> New <input type="checkbox"/> Renewal |
| <input type="checkbox"/> Individual Patron (\$200.00)   | <input type="checkbox"/> New <input type="checkbox"/> Renewal |
| <input type="checkbox"/> Friend (\$100.00)  | <input type="checkbox"/> New <input type="checkbox"/> Renewal |
| <input type="checkbox"/> Senior Member - Two or more years of depreciation experience (\$75.00)   | <input type="checkbox"/> New <input type="checkbox"/> Renewal |
| <input type="checkbox"/> Associate Member - Fewer than two years of depreciation experience (\$75.00)   | <input type="checkbox"/> New <input type="checkbox"/> Renewal |
| <input type="checkbox"/> Student Member - Currently enrolled in higher education with an interest in depreciation as a field of study or vocation (\$75.00) | <input type="checkbox"/> New <input type="checkbox"/> Renewal |

### Being a member of SDP provides:

- Opportunity to discuss contemporary depreciation topics and network with depreciation professionals at the [SDP Annual Meeting](#) and the [SDP Annual Training](#).
- Opportunity to demonstrate your knowledge in the field by becoming a [Certified Depreciation Professional](#) through examination
- Discounted rates for professional training at the [SDP Annual Meeting](#).
- Complimentary copy of the annual [SDP Journal](#)
- Complimentary subscription to the [SDP Newsletter](#) and [SDP Current Issues](#)
- Access to the SDP Membership Directory

Name \_\_\_\_\_  
(First) (Middle) (Last)

Job Title \_\_\_\_\_

Company/Agency \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State/Prov \_\_\_\_\_ Zip/Postal Code \_\_\_\_\_ Country \_\_\_\_\_

Telephone Number \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

Payment may be made by check, Visa/MC or American Express to the Society's office at the address above.

VISA \_\_\_ MC \_\_\_ AMEX \_\_\_ Card Number \_\_\_\_\_ Expiration Date \_\_\_\_\_

**Society of Depreciation Professionals**  
**MEETING, TRAINING, & CDP EXAM REGISTRATION FORM**  
**25<sup>th</sup> Annual Meeting, September 18 – 23, 2011**  
**Georgian Terrace Hotel; Atlanta, Georgia**  
*Early Registration Deadline: Aug. 18, 2011\**

**2011 ANNUAL MEETING (12 CPEs)**

*The Annual Meeting begins with a welcome reception Sun. evening, Sept. 18<sup>th</sup> and ends by noon Tues., Sept. 20<sup>th</sup>*

	<i><b>SDP Member</b></i>	<i><b>Nonmember</b></i>	
Attendee	<b>\$295</b>	<b>\$370</b>	\$ _____
Guest (Includes receptions Sun. & Mon.)	<b>\$ 50</b>	<b>\$ 75</b>	\$ _____

**SDP MEMBERSHIP**

2011 Dues	<b>\$ 75</b>		\$ _____
2012 Dues	<b>\$ 85</b>		\$ _____

**SDP TRAINING** 1:00 PM Sept. 20<sup>th</sup> to noon Fri., Sept. 23<sup>rd</sup> (22 CPEs)

Please select **ONE** of the following courses. **Note:** Two of the courses have *prerequisites*.

\_\_\_ **Depreciation Basics**

\_\_\_ **Life and Net Salvage Analysis** (Prerequisite: *Depreciation Basics* course OR permission from Dr. S Jensen [DrSDJensen@aol.com](mailto:DrSDJensen@aol.com), based on your qualifying experience/courses/objectives.)

\_\_\_ **Preparing and Defending a Depreciation Study** (Prerequisites: *Depreciation Basics* AND *Life and Net Salvage Analysis* OR permission from Dr. S. Jensen [DrSDJensen@aol.com](mailto:DrSDJensen@aol.com))

	<i><b>SDP Member</b></i>	<i><b>Nonmember</b></i>	
<i>First registrant from a company</i>	<b>\$ 940</b>	<b>\$ 1,055</b>	\$ _____
<i>Each additional registrant from same company</i>	<b>\$ 890</b>	<b>\$ 1,025</b>	\$ _____
<i>Registrant from State/Federal Commission</i>	<b>\$ 890</b>	<b>\$ 1,025</b>	\$ _____
<i>Guest (includes receptions Tues, Weds, Thurs)</i>	<b>\$ 75</b>	<b>\$ 95</b>	\$ _____

***DEDUCT \$75 if you are registering for above Training AND Annual Meeting*** \$ \_\_\_\_\_

**SUNDAY TRAINING: BRIEF INTRO TO DEPRECIATION (4 CPEs)** 1–5 PM Sept. 18<sup>th</sup>

	<i><b>SDP Member</b></i>	<i><b>Nonmember</b></i>	
Sunday Training	<b>\$205</b>	<b>\$225</b>	\$ _____

**CDP EXAM**

*Certified Depreciation Professional Exam* **\$100** \$ \_\_\_\_\_

Please select an exam session: \_\_\_ Weds. 8:00 AM or \_\_\_ Fri. 1:00 PM

***\* LATE FEE – ADD \$75 if you are registering after AUG. 18, 2011*** \$ \_\_\_\_\_

**TOTAL (Meeting, Membership Dues, Training, CDP Exam, Late Fee)** \$ \_\_\_\_\_.

**PAYMENT**

Name: \_\_\_\_\_

Title: \_\_\_\_\_ Company: \_\_\_\_\_

Address/City/State/Zip/Country: \_\_\_\_\_

Phone: \_\_\_\_\_ FAX: \_\_\_\_\_ E-mail: \_\_\_\_\_

Check (payable in U.S. dollars to: Society of Depreciation Professionals)

Visa/MasterCard/AmEx Card # \_\_\_\_\_

Exp. \_\_\_\_\_ Signature \_\_\_\_\_

Please check here if you need special assistance and we will be pleased to contact you.

Please identify any special dietary requirements \_\_\_\_\_

**HOTEL INFORMATION**

**Location: Georgian Terrace Hotel  
659 Peachtree Street NE  
Atlanta, Georgia 30308**

To get our **SDP rate of \$139/night** (which includes a *complimentary upgrade to a 1 BR suite*), call the hotel at **(800) 651-2316** or **(404) 897-1991** or go to <http://tinyurl.com/sdp2011>, where we have inserted the SDP's account code (**WWGRP002**) and promo code (**\*G02\$**) on the hotel's reservation page. (A limited number of rooms are available at the government rate of \$132/night.)

**Reservation Deadline:** Room availability at the conference rate is guaranteed until **August 18, 2011**.

**Return this form to:**

**Society of Depreciation Professionals  
347 Fifth Avenue, Suite 703  
New York, New York 10016  
Phone: (212) 804-7178  
Fax: (646) 417-6378  
admin@depr.org**

**Cancellations prior to Aug. 18, 2011 will receive a refund minus a \$50 processing fee. After Aug. 18, 2011, any fees paid for an individual who cannot attend the 2011 Annual Meeting or Training will be applied to the 2012 Annual Meeting or Training. For info regarding refund, complaint and program cancellation policies, contact our offices at (212) 804-7178.**

The Society of Depreciation Professionals is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Nashville, TN 37219-2417. Website: [www.nasba.org](http://www.nasba.org)

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